

**SUSTAINABLE  
DEVELOPMENT** REPORT

2012

# OUR APPROACH TO REPORTING



Aquarius Platinum Limited (Aquarius) recognises that we have a responsibility to report on matters that extend beyond operational and financial performance. The Group has increasingly sought to integrate non-financial performance metrics and reporting into its quarterly and annual reporting. This report covers the 2012 financial year, from 1 July 2011 to 30 June 2012.

We have increased our disclosure on two critical issues – energy or carbon and water – through our responses to the Carbon Disclosure Project (CDP) and the Water Disclosure Project (WDP). Further, we engage with and respond formerly to the Department of Mineral Resources (DMR) in respect of our compliance with the Broad-Based Socio-Economic Empowerment Charter for the South African Mining and Minerals Industry (Mining Charter).

Given the prevailing circumstance within the platinum group metal (PGM) market, the global economy and the South African mining sector, Aquarius Platinum has produced this modest report, dealing with the Group's most material issues. Should shareholders and other parties be interested in additional information, they should peruse our website and address any specific questions to [info@aquariusplatinum.com](mailto:info@aquariusplatinum.com).

Data for reporting purposes is collated internally within the Group and is reported quarterly. It is not audited externally. There have been no significant restatements of information.

Information and data in this report is for the Aquarius-managed operations in South Africa – Kroondal, Marikana, Everest, Chromite Tailings Retreatment Plant (CTRP) and Platinum Mile – and in Zimbabwe, Mimoso, a 50:50 joint venture between Aquarius and Impala Platinum Holdings Limited. It should be noted that the Marikana and Everest operations were placed on care and maintenance at the end of the financial year, and this will have a significant impact on reporting in the coming year.

“We consider our most significant stakeholders to be **shareholders, employees and unions, communities and government.** Our assessment of material issues is an extensive yet informal process. It is informed by our risk-management structures and strategies, as well as feedback from our stakeholders”

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# CORPORATE PROFILE

Aquarius is a focused, independent PGM producer with assets on two world renowned PGM-bearing deposits – the Bushveld Igneous Complex in South Africa and the Great Dyke in Zimbabwe. Primary metals produced are platinum, palladium, rhodium and gold. Iridium and ruthenium are produced as co-products with nickel, copper and chrome as significant by-product metals.

Aquarius currently has two operating, mechanised low-cost producing mines – Kroondal in South Africa and Mimosa in Zimbabwe – two retreatment facilities and three non-operating mines. In South Africa, Aquarius’ primary asset, operated through Aquarius Platinum (South Africa) (Pty) Limited (AQPSA), is the Kroondal mine. Operations at the Blue Ridge, Marikana and Everest mines have been suspended.

At the end of FY2012, a total of 8,386 people were employed at Aquarius’ South African operations and 1,772 people in Zimbabwe. Of the total number of employees at year-end, 17% were employees and 83% were contractors. In line with Aquarius’ transition to owner-operator (announced in June this year), post financial year-end, the employee:contractor ratio was 96:4.

In Zimbabwe, Aquarius’ interest in Mimosa, one of the lowest-cost producers in the PGM industry, is held through a 50% stake in Mimosa Investments Limited with the balance held by Impala Platinum Holdings Limited (Implats).

In addition at year-end, the Group held through Aquarius’ wholly owned subsidiary, Aquarius Platinum (South Africa) (Corporate Services) (Pty) Limited (ASACS), a 50% interest in CTRP and a 91.7% stake in Platinum Mile Resources (Pty) Limited, both of which recover PGMs from the tailings streams of various platinum and chrome-mining operations on the western limb of the Bushveld Igneous Complex.

Aquarius is listed on the Australian Securities Exchange (ASX), the main board of the London Stock Exchange (LSE) and the JSE Limited. The company also has a sponsored Level 1 American Depositary Receipt in the United States.

## LOCATION OF AQUARIUS OPERATIONS

### SOUTH AFRICA

#### Kroondal

**S** 25° 42' 20.2"  
**E** 27° 19' 34.7"

#### Marikana

**S** 25° 44' 16.52"  
**E** 27° 25' 11.48"

#### Everest

**S** 25° 10' 64.5"  
**E** 30° 11' 82.5"

#### Blue Ridge

**S** 25° 05' 36.13"  
**E** 30° 37' 22.46"

### CTRP

**S** 25° 42' 48.4"  
**E** 27° 20' 10.4"

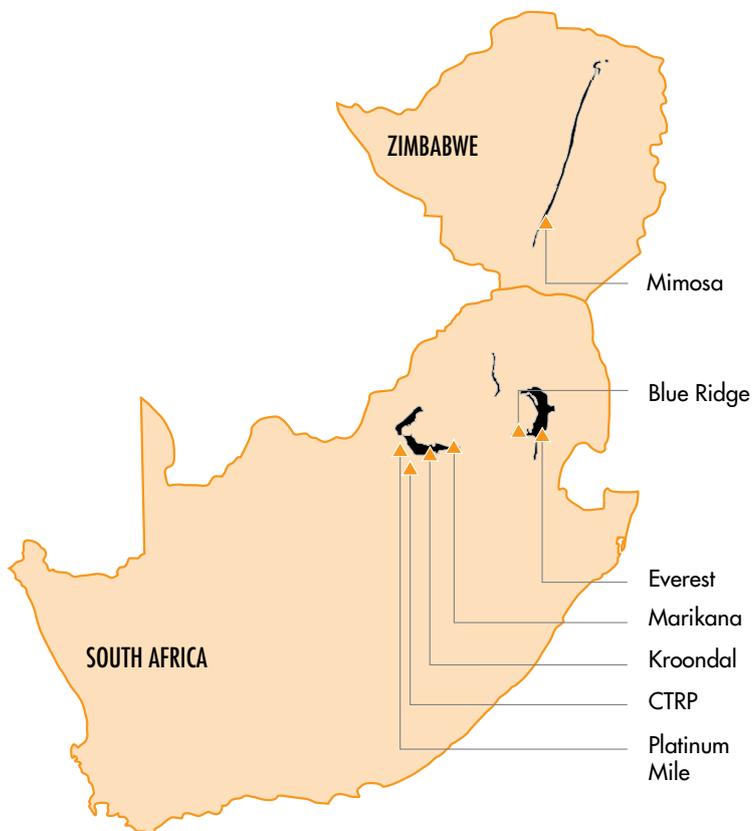
### Platinum Mile

**S** 25° 38' 55.9"  
**E** 27° 19' 02.0"

### ZIMBABWE

#### Mimosa

**S** 20° 19' 40.52"  
**E** 29° 49' 32.26"



# OUR PROCESSES AND PRODUCTS

The primary products mined by Aquarius are platinum, palladium, rhodium and gold (the four elements or 4E) of which it produced an attributable 411,398oz in FY2012.

At Aquarius, we are engaged in:

- ▲ **Exploration** for potential PGM deposits. The feasibility of projects is evaluated extensively before a decision is taken to develop a mine.
- ▲ **Development and construction** of mines; mainly through decline shafts to access shallow, near-surface ore bodies.
- ▲ **Underground mining** involving the drilling and blasting of ore which is then brought to surface for treatment at the processing plants. Currently, no opencast mining is being undertaken by Aquarius.
- ▲ **Concentrating and dense media separation (DMS)**. Ore is fed into milling and crushing circuits where it is broken down into smaller rock particles to expose the PGMs contained in the ore. The DMS plant, an inexpensive addition to the processing circuit, enables the more efficient separation of the less dense waste rock from the denser PGM-bearing chromite ore. The waste floats and the ore sinks; enabling separation before the ore particles are mixed with water and reagents to produce a soapy froth – called flotation concentrate – which is dried and packaged for dispatch.
- ▲ **The sale of concentrate to third-party refineries**. The concentrate produced at Kroondal and Marikana was processed by Rustenburg Platinum Mines Limited (RPM) in terms of certain agreements. Concentrate from Everest was sent to the Implats smelter near Rustenburg, North West Province, South Africa, in terms of that operation’s agreement with Impala Refining Services Limited (IRS). Mimososa has an offtake agreement with Centametall AG of Switzerland but also delivers its concentrate to the Implats smelter for toll processing and refining by IRS prior to delivery. The concentrate produced, which contains the PGMs, is sold in terms of offtake agreements to third parties such as Anglo American Platinum Limited, Centametall and IRS, in terms of which it is smelted and refined to a pure metal form and sold to a variety of final users.
- ▲ **Planning and undertaking rehabilitation and closure**. Rehabilitation is ongoing to restore land used for mining activities such as open pits, tailings storage facilities, roads and surface infrastructure, for appropriate sustainable use.

Production by mine (4E* ounces)	100%	Attributable
Kroondal	334,850	167,425
Marikana	102,739	51,370
Everest	72,993	72,993
Mimososa	210,895	105,447
CTRP	4,914	2,257
Platinum Mile	12,719	11,706
<b>Total</b>	<b>739,110</b>	<b>411,398</b>

\* 4E = platinum, palladium, rhodium and gold

Aquarius does not engage directly in smelting and refining activities as these are technically challenging, specialist, highly capital-intensive facilities. As a result, Aquarius operations require little in the way of security in the handling and transportation of PGM concentrate.

PGM concentrate is not toxic and does not have to carry safety, health or environmental labelling. Concentrate is loaded directly into articulated trucks and transported by road to customers’ smelting facilities. Every effort is made to ensure its safe and reliable transportation in terms of the relevant offtake agreements. Aquarius respects the privacy of its customers, IRS and RPM, and confidentiality and non-disclosure clauses are included in the offtake agreements.

No complaints regarding breaches of customer privacy on the loss of customer data were reported during the 2012 financial year. No fines were received regarding non-compliance in the provision of Aquarius’ product to its customers.

# ADDRESSING RISK AND STAKEHOLDER CONCERNS

The Board has overall responsibility for the Company's system of internal control which includes risk management and reviewing its effectiveness. The system of internal control is designed to identify, evaluate and manage significant risks associated with the achievement of the Company's objectives.

The Audit and Risk Committee has appointed an Operational Risk Management Oversight (ORMO) Committee, chaired by a senior management executive, independent of direct line operations management. The ORMO Committee meets on a quarterly basis to review and update the Company risk profile which receives input from line managers across the Aquarius business. The ORMO Committee reports directly to the Audit and Risk Committee on a quarterly basis. Strategic risks facing the Company are identified, monitored and actively managed through the allocation of appropriate resources to address the risks identified. The day-to-day responsibility for managing risk and the maintenance of the Company's system of internal control is collectively assumed by the AQPSA Executive Committee in South Africa and by the Management Board of Mimosa in Zimbabwe.

Key risk and control issues are reviewed regularly by the Board. On behalf of the Board, the ORMO Committee has established a process for identifying, evaluating and managing the significant risks faced by the Company. A risk-based approach has also been adopted in establishing the Company's system of internal control and in reviewing its effectiveness. To assist in managing key internal risks, it has established a number of Company-wide procedures, policies and standards, and has set up a framework for reporting matters of significance. The Audit and Risk Committee is responsible for reviewing the effectiveness of the Company's risk management, internal control systems, and the interim and annual financial statements before their submission to the Board.

For a detailed discussion on the Company's approach to risk and critical risks to the business, see the annual report at [www.aquariusplatinum.com](http://www.aquariusplatinum.com).



## MATERIAL SUSTAINABILITY RISKS AND CONCERNS

Material sustainability risks and concerns discussed in this report emanate from the Company's risk-management process but also consider issues and concerns that are material to stakeholders such as:

- ▲ Employee safety
- ▲ PGM prices and the market, combined with cost increases which threaten the viability of operations and jobs
- ▲ Country risks in South Africa, particularly recent labour unrest and threats of nationalisation
- ▲ Country risks in Zimbabwean operations, particularly indigenisation and access to energy
- ▲ Mining Charter compliance, including black economic empowerment (BEE)
- ▲ Risks relating to our joint ventures and offtake agreements
- ▲ Our ability to fund and execute new projects such as Booyesendal

# CEO'S REVIEW

In our annual report, I note that the 2012 financial year has been one of the most challenging in the history of Aquarius. This is true too of the so-called sustainability aspects of our business. In fact, the links between the non-financial and financial performance of the business have never been clearer.

Poor operational performance, a significant drop in the Rand basket price in the second half of the financial year, spiralling input costs in South Africa and Zimbabwe, poor labour relations and unreasoned safety stoppages in South Africa combined to deliver disappointing operational and financial outcomes. This, within an operating environment characterised by poor pricing conditions, has placed the southern African PGM sector under real pressure.

The incidents at Lonmin's Marikana mine and the wildcat strikes across the mining industry in subsequent months catapulted the sector and South Africa onto the global platform. Labour unrest and lawlessness, fuelled by union rivalry, community discontent with the lack of social delivery by the state, and political posturing in advance of the leading party's electoral conference in late 2012 inflamed and undermined the fragile social structure of the industry.

Aquarius was not immune to these disruptions. Violent protest at Kroondal's Kwezi shaft on 1 August by legally dismissed employees of our former mining contractor resulted in the tragic death of six people outside of the mine premises. An investigation into this is currently underway.

It was notable that, in the aftermath of the Marikana incident and country-wide strike action, employees at Kroondal continued to work. Our employees, our union representatives and our management are to be congratulated for their effort and partnership.

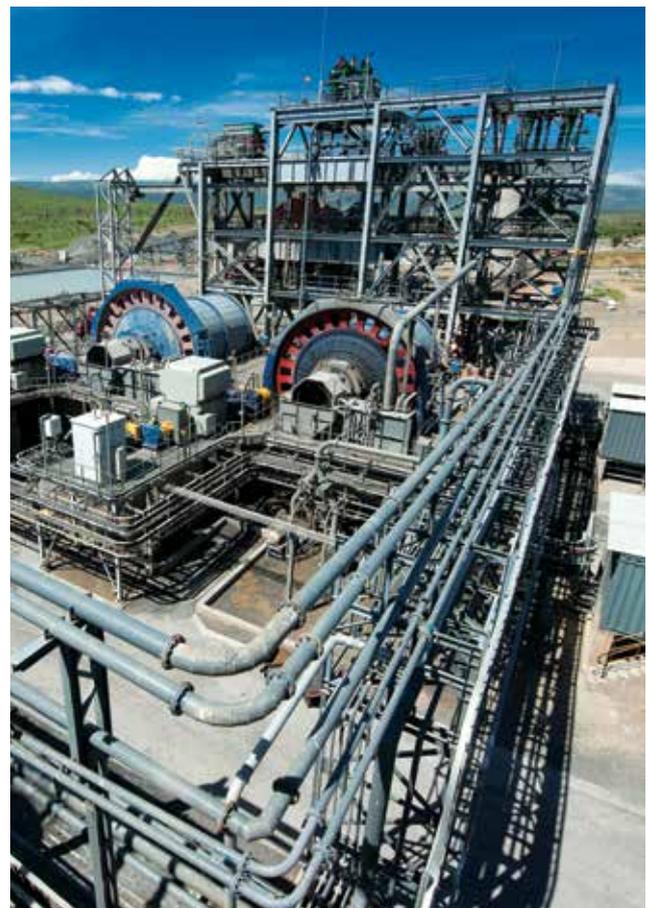
## EVEREST AND MARIKANA ON CARE AND MAINTENANCE

In June 2012, the Aquarius Board agreed to place Everest on care and maintenance. Everest had encountered numerous challenges in ramp-up, including poor ground conditions, ongoing industrial-relations disruptions, Section 54 stoppages and maintenance issues. Also in June, the partners in the Marikana Pooling & Sharing Agreement agreed to place the Marikana operations on care and maintenance. Kroondal and Marikana had experienced absenteeism, and the associated loss of production shifts. The Blue Ridge operation remained on care and maintenance – a decision taken in the previous financial year.

Our decisions to suspend operations considered the socio-economic consequences of these temporary closures and it was particularly important to us that around 84% of those employed at Marikana operations were re-assigned and re-allocated to jobs elsewhere. Unfortunately, due to its location, employees relocation at Everest was limited (1%).

## SAFETY AND HEALTH

It is with regret that we report four fatalities at Aquarius' operations in FY2012: two at Kroondal and two at Everest. No fatalities occurred at Marikana or Mimosa. Overall, group safety performance



deteriorated with a decline in the group disabling injury incidence rate (DIIR) to 1.06 per 200,000 hours worked from 0.50 in FY2011.

## TRANSITION TO OWNER OPERATOR

Another significant decision taken during the year was to move to an owner-operator model. This will enable the company to take greater control over our operations and cost base, and indeed the strategy and relationships that govern them. The full transition is expected to be completed by the end of 2012. The employee-contractor ratio at year-end was 17:83 which is expected to be substantially altered in the coming financial year following the changeover to owner mining. Currently, this ratio stands at 96:4.

## ACCESS TO ENERGY

In Zimbabwe, mining operations were adversely affected by load shedding during the second and third quarters which was caused by limited electricity imports to supplement the low domestic electricity-generation capacity. Local power generation continues to require

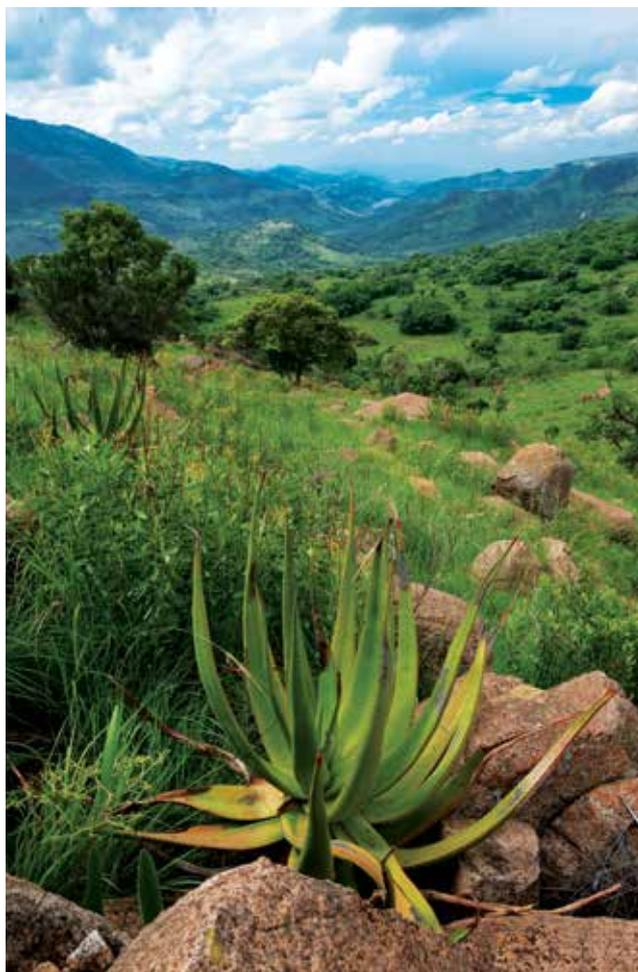
## CEO'S REVIEW (CONTINUED)

augmenting by imports from the Cahora Bassa power-transmission system in Mozambique which threatened to cut off supply to ZESA Holdings (Pvt) Ltd for long-outstanding arrears. Following an agreement between Mimosa and ZESA in March 2012, guaranteeing uninterrupted power supply of 20MW for the next five years, Mimosa has not experienced issues with electricity supply.

In South Africa, the national power utility, Eskom, continues to be constrained in respect of power supply and new projects, in particular, are not guaranteed power.

### COMPLIANCE WITH BEE AND INDIGENISATION LEGISLATION

In December 2003, AQPSA announced an agreed BEE transaction with a group of investors led by Savannah Resources Consortium (SavCon). This transaction resulted in 29.5% of AQPSA being owned by historically disadvantaged South Africans (HDSAs). In 2006, with the consent of the Minister of Minerals and Energy, the 29.5% shareholding in AQPSA was exchanged for a shareholding in AQPSA's parent company, Aquarius Platinum Limited. On completion of the transaction, AQPSA became fully compliant with the equity ownership component of the Mining Charter.



In Zimbabwe, the indigenisation process continues to be negotiated and Mimosa remains a meaningful contributor to Aquarius' cash flows. The relationship between Mimosa and the government of Zimbabwe is cordial, and negotiations continue regarding the future sale of a stake in the asset to indigenous Zimbabwean parties for fair value. The Zvishavane Community Share Ownership Trust was launched on 16 February 2012 in part fulfilment of the Indigenisation and Empowerment Act, 2007 (Act No 14 2007). The trust benefits from the 10% share-ownership structure in Mimosa and the dividend that accrues as a result. The beneficiaries include the surrounding Zvishavane community.

### ENVIRONMENT

Aquarius recognises that its operations have an impact on the natural environment, and is committed to meeting and exceeding environmental legislative requirements through responsible and progressive approaches to environmental management, impact mitigation and rehabilitation. We closely monitor our carbon emissions and usage of water, and we have again participated in the CDP and the WDP.

Our corporate social investment (CSI) programmes in 2012 were extensive as were our training and development programmes. We continue to work towards meeting the targets set by the Mining Charter and, in many instances, exceed those requirements.

### LOOKING FORWARD

The 2013 financial year is expected to be challenging. The measures implemented by the Board to preserve cash will ensure the survival of the Company in these extremely difficult times.

Material PGM surpluses – particularly of platinum – are expected to persist in the short to medium term although the longer-term supply-demand balance is likely to be affected by South African production curtailments. PGM prices in Rands and US Dollars are forecast to remain muted although some recovery is expected along with some volatility.

Operating costs are expected to continue to rise and be affected by rising electricity, fuel and labour costs in particular. Recent ad hoc, across-the-board and unaffordable pay rises and settlements awarded in the face of threat tactics have forever changed the landscape of collective bargaining in the South African mining industry. Runaway labour costs without productivity improvements are unaffordable, and will put our industry and sector in peril. It is within this context that we appeal to stakeholders to preserve this industry – not just for the next year or so but for decades to come.

**Stuart Murray**

CEO

29 October 2012

# CORPORATE GOVERNANCE

Aquarius is committed to the principles of good corporate governance, and aims to achieve the highest standards and best practice in its overall performance. In accordance with the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council, the group has established systems of accountability and control through its corporate-governance framework.

A detailed discussion on corporate governance may be found in the Annual Report and the Company's various governance charters may be found on the website at [www.aquariusplatinum.com](http://www.aquariusplatinum.com).

## STRUCTURE

The Board includes a balance of executive and non-executive directors and, in particular, independent non-executive directors so that no individual or group of individuals dominates decision-making. Independence of directors essentially refers to directors independent of management and free of any business or other relationship that does, or could reasonably be perceived to, materially interfere with the exercise of unfettered and independent judgement.

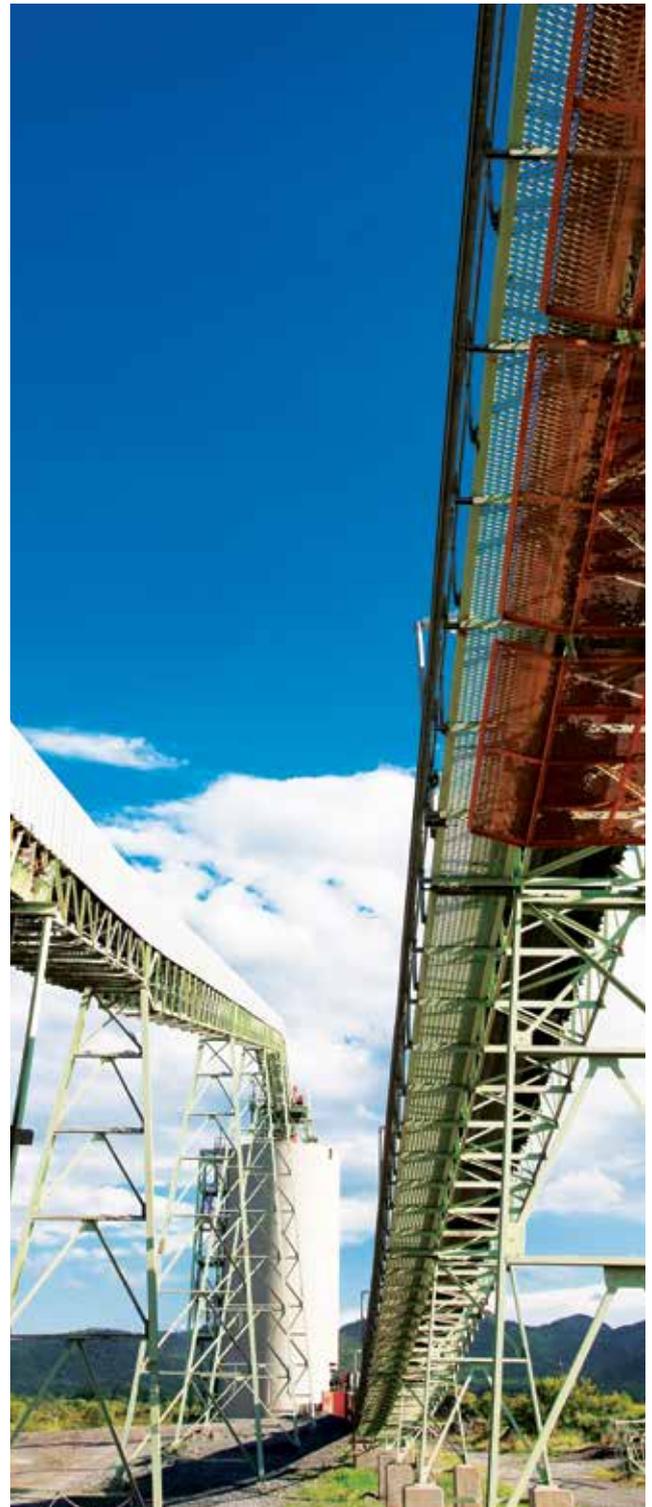
Diversity within the group encompasses, but is not limited to, gender, age, ethnicity and cultural background. Aquarius' employment policies and procedures are guided by the Mineral and Petroleum Resources Development Act, 2002 (Act No 28 of 2002) (MPRDA) and the accompanying the Mining Charter. The Board believes that diversity contributes to its business, and benefits shareholders and stakeholders. The Board has responsibility for oversight of this policy which is reviewed on an annual basis.

## COMMITTEES

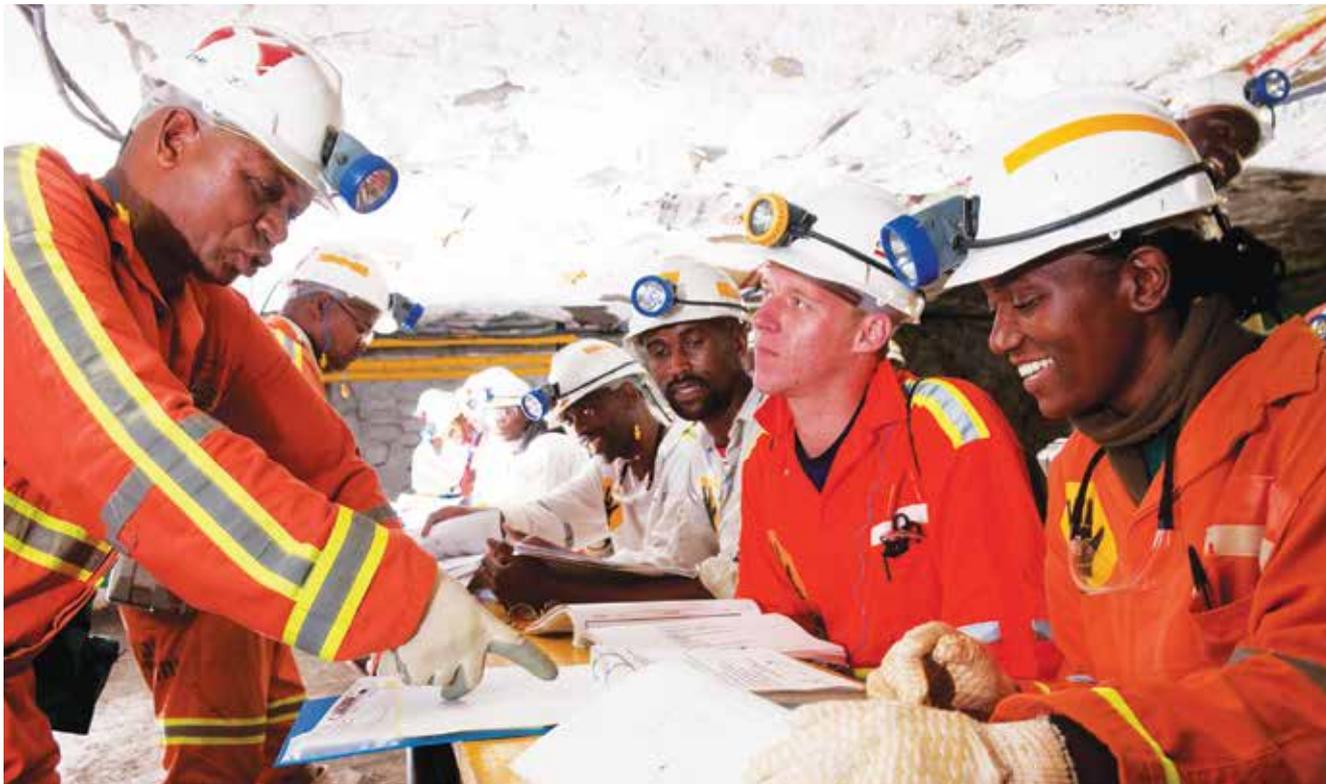
The Board has established three standing committees to assist in the execution of its responsibilities: the Audit and Risk Committee, the Remuneration and Succession Planning Committee, and the Nomination Committee. Other committees are formed from time to time to deal with specific matters.

In line with best practice, each of the committees operates under a charter approved by the Board; detailing their roles, structures, responsibilities and membership requirements. Each of these charters is reviewed annually by the Board and the respective committee.

“Aquarius' employment policies and procedures are guided by the MPRDA”



## CORPORATE GOVERNANCE (CONTINUED)



The management of sustainability is an integral part of operational management with ultimate accountability for safety and health, environmental and social performance, and the management and development of people the responsibility of line management.

### CODE OF CONDUCT

The Code of Conduct has been developed by the Board to provide a framework for all employees to conduct the business of the company, in an ethical and legal manner, to ensure that the Company maintains its obligations to shareholders, the community, contractors and suppliers.

Aquarius' Code of Conduct comprises a set of principles developed by the Board to guide employees to act with integrity and make informed choices when communicating or acting on behalf of the Company.

### COMPLIANCE

Currently, there are operation-specific, five-year (2012 to 2016) social and labour plans (SLPs) for Kroondal, Marikana and Everest,

which have been approved by the DMR and commit Aquarius to specific local economic development (LED) projects and human resource (HR) development initiatives. Reports on progress made in accordance with the SLPs, in terms of targets, are submitted annually to the DMR.

### FINANCIAL ASSISTANCE FROM GOVERNMENT

No financial assistance was received from government during the year.

### SIGNIFICANT FINES OR LEGAL ISSUES

No significant fines for non-compliance with legislation or regulations were incurred by Aquarius during the year under review.

### POLITICAL DONATIONS

Aquarius did not make any financial or in-kind contributions to political parties, politicians or related institutions during FY2012.

# STAKEHOLDER ENGAGEMENT

Aquarius has sought to uphold the rights and interests of all its stakeholders in the establishment of its Board and Company structures, and in its reporting.

Aquarius is committed to meeting all its social commitments to the communities surrounding its operations and from which it draws its labour, and to achieving a safe and productive workplace for employees through training programmes and investment in safety technology and modern mining methods.

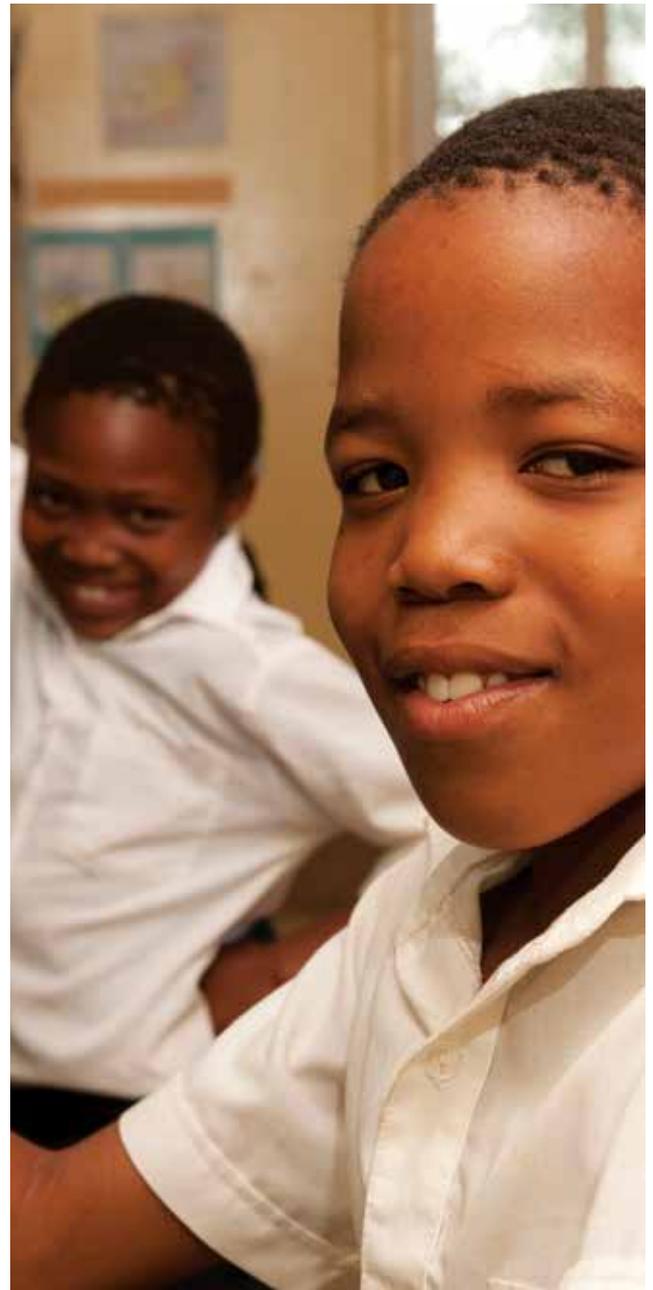
Aquarius' reporting meets or exceeds all relevant regulatory requirements, and includes quarterly financial and production updates, continuous disclosure of material information, and interim and annual reports which continue to evolve; striving for maximum disclosure and utility.

Regular engagement with stakeholders is undertaken via various channels, including formal and informal meetings with shareholders and analyst meetings on an ongoing basis. Our human resource department interfaces continuously with local communities, employees, contractors and trade unions. Interaction with government bodies, suppliers and joint venture partners (the Group's only customers) takes place at all levels of management.

Interaction with the local communities at Mimosa is through quarterly community-liaison meetings with various community representatives, including traditional chiefs, councillors, school heads and the local rural district council. Employees are engaged through works-council meetings for collective concerns and one-on-one for individuals.

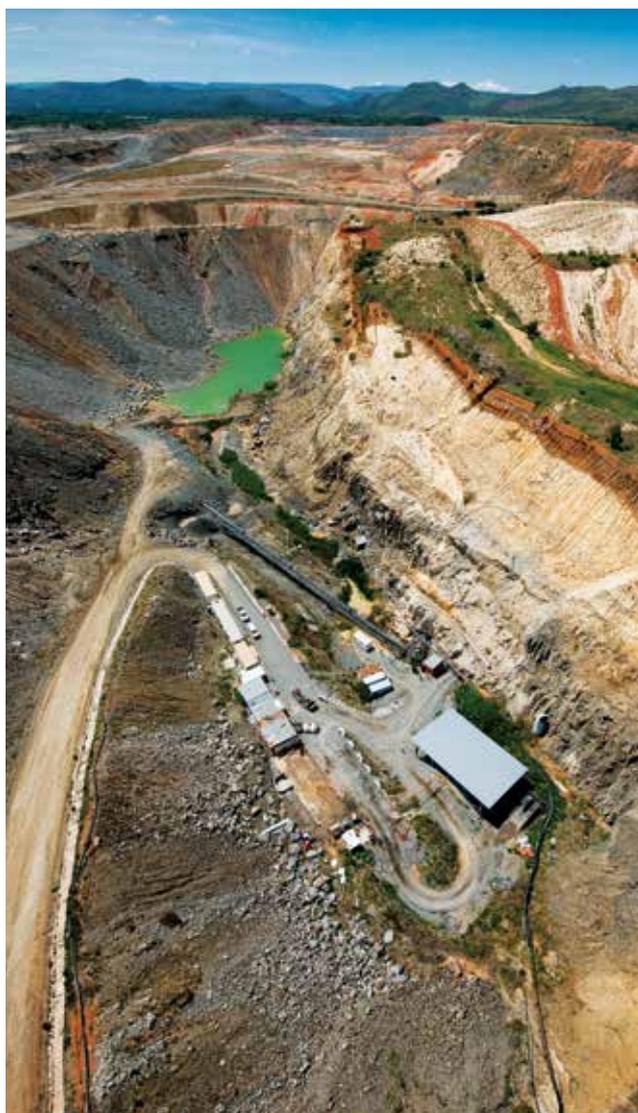
Youth development has become a priority to alleviate unemployment among youths.

“Aquarius is committed to meeting all its social commitments to the communities surrounding its operations”



# ECONOMIC PERFORMANCE

As Aquarius endeavoured to deal effectively and responsibly with the difficult trading environment of the platinum industry in South Africa, several material alterations were made to the operating configuration of the company. See the CEO's review on page 5 for further details.



## FY2012 KEY FEATURES

- ▲ Revenue decreased by 29% to \$486 million (FY2011: \$683 million)
- ▲ Mine operating net cash flow decreased by 85% to \$26 million (FY2011: \$176 million)
- ▲ Mine earnings before interest, taxes, depreciation and amortisation decreased by 86% to \$29 million (FY2011: \$206 million)
- ▲ Headline loss (before exceptional charges) of \$154 million (FY2011: headline earnings \$143 million)
- ▲ Headline loss per share of United States (US) 32.88 cents per share
- ▲ Reported net loss of \$158 million (US 33.77 cents loss per share) after a foreign exchange loss of \$97 million on revaluation of inter-company loans
- ▲ Group cash balance at FY2012 close of \$180 million
- ▲ No dividend declared (FY2011: US 8 cents)

## CAPITAL EXPENDITURE AND CASH PRESERVATION

All stay-in-business capital expenditure for the AQPSA operations is up to date as per the mine plans for the specific operations. The ongoing construction of the K6 Shaft at Kroondal cost approximately R163 million of development capital expenditure in the 2012 financial year and will require a further R158 million in the 2013 financial year.

Capital expenditure at Mimosa for the 2012 financial year was \$61 million (\$291 per PGM ounce) – spent largely on housing projects and stay-in-business capital expenditure.

Present cash reserves are sufficient to manage operating mines for the next 12 months, based on prevailing market dynamics, but Aquarius will need to secure additional funding to conclude the Booyendal acquisition. The company is taking advice on a number of alternatives.

## BEE

BEE, as envisaged by South African minerals legislation, is aimed at broadening the equity-ownership base of the South African economy, and providing a potential stimulus for greater economic growth and employment. While the BEE transaction with SavCon was originally undertaken at an operating Company level, it was always the Company's intention to deliver to SavCon a meaningful interest in the listed entity.

SavCon comprises three entities:

- ▲ Savannah Resources, a black-owned mining and resources investment company focusing on precious and non-ferrous metals mining in South Africa. Savannah Resources forms the core of the BEE consortium.
- ▲ Chuma Holdings – a BEE fund owned by women and led by Andy Kawa and HRH Princess Zenani Mandela-Dlamini. The primary beneficiaries of the fund are two trusts created to benefit HDSAs in the fields of education, health and social welfare.
- ▲ Malibongwe, a controlled investment of the Malibongwe Women's Development Organisation, a non-governmental, non-profit organisation focusing on the women of South Africa and, in particular, the plight of the poorest of the poor.

## MINING RIGHTS AND PERMITS

All AQPSA mining operations have new order mining rights under the MPRDA as well as approved environmental management plans (EMPs). SLPs are in place at all operations. When mines are under care and maintenance, SLP commitments are suspended until they are operational again.

## PROCUREMENT AND ECONOMIC TRANSFORMATION

Aquarius is committed to the progressive transformation of the South African economy and recognises the need to conduct business in line with the procurement guidelines and targets set in the MPRDA and the Mining Charter.

HDSA and BEE companies have been given preferred supplier status by the Company. BEE companies have equity ownership by black South Africans of 26% and more while HDSA refers to a category of South African citizens who were previously disadvantaged.

Total procurement at AQPSA for FY2012 amounted to R4,800 million (FY2011: R4,921 million) of which the total BEE/HDSA component amounted to R4,371 million or 90% (FY2011: 76%).

Total procurement by Mimosa was \$137.27 million (FY2011: \$135.3 million) of which 66% was spent locally (FY2011: 45%).

“Present cash reserves are sufficient to manage operating mines for the next 12 months”

## ECONOMIC PERFORMANCE (CONTINUED)



### Total procurement spend (Rm)

	Total procurement spend		Total BEE procurement spend		BEE spend as a % of total	
	FY2011	FY2012	FY2011	FY2012	FY2011	FY2012
Kroondal	2,907	2,755	2,381	2,613	82	95
Marikana	1,151	1,496	908	1,279	79	85
Everest	863	549	474	479	55	87
AQPSA	4,921	4,800	3,763	4,371	76	90

In line with the requirements of the South African Mining Charter, AQPSA reports the actual and proportional breakdown of BEE/HDSA spend (Rm) as follows:

	Capital		Consumables		Services		Total	
	FY2011	FY2012	FY2011	FY2012	FY2011	FY2012	FY2011	FY2012
Kroondal	48	135	954	1,064	1,379	1,414	2,381	2,613
Marikana	15	54	349	505	544	720	908	1,279
Everest	126	80	177	367	171	33	474	480
AQPSA total	189	269	1,480	1,936	2,094	2,167	3,763	4,371
BEE/HDSA spend as a % of total spend by category	64	71	95	96	74	90	76	90

# SOCIAL PERFORMANCE

## SAFETY AND HEALTH

SLP reports are submitted to the DMR by AQPSA annually with information on human resource development, employment equity, migrant labour, mine community and development, housing and living conditions, procurement, ownership and joint ventures, beneficiation and reporting.

### REPORTING

The information in the SLP reports is drawn from quarterly tracking reports and internal reporting mechanisms established at the mines by AQPSA and its contractors. These reports track set targets and progress by AQPSA, and its core contractors in direct response to and compliance with the mines' SLP undertakings, as well as ongoing individual and combined commitment to meeting the objectives of the MPRDA.

The unfortunate outcome of placing Blue Ridge, Marikana and Everest under care and maintenance is the human cost of job losses and social-development expenditure.

Every effort has been made to place employees in alternative employment. Our social performance is reviewed in respect of safety and health; employment, training and development; community development; and the implications of care and maintenance.

### SAFETY

Tragically, there were four fatalities across Aquarius in FY2012 (FY2011: eight) – two at Kroondal and two at Everest.

- ▲ Kroondal
  - ▲ Mr Hennie Otto was fatally injured while replacing a faulty gearbox at the K1 processing plant on 27 October 2011.
  - ▲ Mr Tomas Ubissi, a utility vehicle operator, passed away in a fall-of-ground accident at the Simunye shaft on 17 April 2012.
- ▲ Everest
  - ▲ Mr Christo Venter was fatally injured in a motor-vehicle accident on 18 July 2011.
  - ▲ Mr David Sebulela was fatally injured in a fall-of-ground incident on 7 September 2011.

The Aquarius board, management and employees express deepest regret at these fatalities, and remain committed to eradicating fatal incidents and achieving the goal of zero harm in all operations.

#### Aquarius – number of fatalities



#### AQPSA – FIFR (per 200,000 hours worked)



#### Aquarius – DIIR (per 200,000 hours worked)



#### AQPSA – DIIR (per 200,000 hours worked)



#### DIIR per 200,000 worked – by operation

	FY2012	FY2011	FY2010
Kroondal	1.20	0.77	0.57
Marikana	0.47	0.48	0.74
Everest	2.24	0.41	0.31
Blue Ridge	–	1.91	1.86
CTRP	0	0	0
Platinum Mile	0	0	0
Mimosa	0.24	0.03	0.07
Group	1.06	0.50	0.55

# SOCIAL PERFORMANCE (CONTINUED)

## SAFETY AND HEALTH

### Safety-related stoppages

Aquarius fully supports and promotes the rights of employees to suspend operations when they feel that their working environment is unsafe. Further, we are grateful for the support and guidance of the safety inspectorate of the DMR in ensuring that our workplaces operate to standard.

However, FY2012 was marked by a significant increase in the incidence of Section 54s imposed by the DMR across the Rustenburg district. In terms of Section 54 of the Mine Health and Safety Act, 1996 (Act No 29 of 1996), operations can be stopped at one shaft or all the shafts of a particular mine, by the DMR, should it see fit to do so. The total number of safety-related stoppages in South African operations was 32. Dialogue was established with the new Principal Inspector of the region and this improved the situation materially in the second half of the year.

Further, at a special meeting of the Mining Industry Growth Development and Employment Task Team (MIGDETT), including government and industry stakeholders, on 9 July 2012, inconsistencies in the application of the Act were addressed, and it was agreed that an implementation plan should be drafted and the process driven through the Mine Health and Safety Council with regular feedback to the MIGDETT principals.

### HEALTH

Aquarius employees in South Africa have access to comprehensive health-benefit schemes for employees and dependants. Further, the company provides on-site primary-health and occupational-health services. In FY2012, the group undertook 12,283 medical-surveillance examinations for employees and contractors.

The most significant risk in respect of employee health is noise-induced hearing loss (NIHL). Silicosis is not a threat in the PGMs industry as quartzite is not present in our host rock. However, occupational-lung-disease screening does take place in line with legislation and is occasionally encountered among employees who were formerly employed in the gold-mining industry. Any incidence is referred to the Medical Bureau for Occupational Diseases as required.

### NIHL

In FY2012, 14 new cases of NIHL were identified and submitted for possible compensation. Three cases were identified in FY2011. Aquarius continues to address NIHL through hearing-conservation programmes that combine education, the provision of personal protective equipment as required, noise monitoring and silencing at source.

### HEALTH CARE

Medical-surveillance programmes are in place to monitor health risks during annual medical-surveillance examinations. Regular reports are submitted to the authorities in line with regulations. All employees have access to primary health care.



At Aquarius' South African operations on the western limb, healthcare services, including those for occupational healthcare, are outsourced to Platinum Health, a healthcare organisation affiliated to Amplats Medical Services. Platinum Health manages and operates four clinics that operate 24 hours a day – two clinics each at Kroondal and Marikana – and has facilities in Rustenburg offering additional healthcare facilities to the community at an affordable cost. LIFE Medical Services oversees the management of occupational medical services at Everest.

There were 5,789 individual voluntary counselling and testing sessions at the South African operations during FY2012 (FY2011: 1,360). Employees have access to antiretroviral treatment (ART) through their medical aid systems or through state-supported facilities.

At Mimoso, 139 employees received ART from the mine clinic in 2012, compared with 1,286 employees and dependants in FY2011.

“Aquarius employees in South Africa have access to comprehensive health-benefit schemes for employees and dependants”

# SOCIAL PERFORMANCE

## EMPLOYMENT, TRAINING AND DEVELOPMENT

### EMPLOYMENT, TRAINING AND DEVELOPMENT

Labour disputes at Everest, the decision to move to an owner-operator model, and the suspension of operations at Everest and Marikana post year-end have had, and will continue to have, a significant impact on the people and the management of people at our South African operations.

The termination of the contract-manager arrangement with Murray & Roberts Cementation (MRC), with effect from 1 July 2012, was amicable, and taken in the interests of Aquarius regaining control, its cost structure and employee relationships. The transition is expected

to take six months and will be in place by the end of calendar 2012. The owner-operator model will be rolled out at AQPSA's other mines as and when they are brought back into production.

AQPSA appointed Partners in Performance (PIP) in April 2012 to assist with planning the transition to owner-operated mining. AQPSA and PIP completed an eight-week consultation and planning process, and PIP supported implementation.

As an owner operator, AQPSA will aim to ensure maximum future cost control and flexibility in the face of a changing industrial-relations landscape in South Africa and continuing margin pressure faced by the platinum industry at large.

### Total number of employees at Aquarius

Operation	Employees		Contractors		Total		
	FY2012	FY2011	FY2012	FY2011	FY2012	FY2011	FY2010
Corporate office	26	26	7	6	33	32	28
Kroondal	23	23	5,348	4,845	5,371	4,868	4,530
Marikana	3	12	1,306	1,516	1,309	1,528	1,904
Everest	8	16	1,529	1,665	1,537	1,681	1,063
Blue Ridge	–	8	26	25	26	33	1,665
Treatment plants	93	86	–	–	93	86	80
Mimosa	1,572	1,567	199	229	1,772	1,796	1,802
<b>Total</b>	<b>1,725</b>	<b>1,738</b>	<b>8,415</b>	<b>8,286</b>	<b>10,141</b>	<b>10,024</b>	<b>11,072</b>

### South Africa (AQPSA) – Employees per operation

	Kroondal	Marikana	Everest	Blue Ridge	Treatment plants	Corporate office	Total
South African operations	23	3	8	–	93	26	153
Contractors	5,348	1,306	1,529	26	–	7	8,233
<b>Total</b>	<b>5,371</b>	<b>1,309</b>	<b>1,537</b>	<b>26</b>	<b>93</b>	<b>33</b>	<b>8,386</b>

In South Africa, in particular, the impetus to employ people from local communities is significant. As per the requirements of the South African Mining Charter, AQPSA does not discriminate against non-South Africans.

### Percentage of locally recruited employees\* per operation – South Africa

Kroondal	30%
Marikana	52%
Everest	55%
<b>Total AQPSA</b>	<b>38%</b>

\* Living within 50km radius of operation at which employed

# SOCIAL PERFORMANCE (CONTINUED)

## EMPLOYMENT, TRAINING AND DEVELOPMENT

### Union representation at AQPSA in FY2012

	Number of employees	% employees represented by union
National Union of Mineworkers	2,973	65
Solidarity	464	56
Total unionised	3,437	64
Non-unionised	1,934	36
Total	5,371	



### Training, education and development

In FY2012, AQPSA employees and contractors attended 27,153 days of training. Total expenditure on skills training was R30.8 million for the year (FY2011: R25.2 million).

At Mimosa, artisan skills training is offered – ranging from technical and safety training to supervisory and managerial development. The cost of training for the year was \$2.6 million.

### Adult basic education and training (ABET)

ABET is available to all AQPSA employees and contractors. In FY2012, 209 employees across the group attended ABET (FY2011: 286; FY2010: 551). Currently, about 79.2% of the AQPSA workforce is considered to be literate.

Given that the literacy rate among employees is 100% at Mimosa, most training aimed at lower-level employees focused on business literacy. It covers money, materials, manpower, markets, machinery and management.

### Bursaries, learnerships and mentorships

In order to address the shortage of skills in the mining industry, Aquarius has a bursary programme as well as learnership and internship initiatives in line with the industry skills-development framework.

AQPSA funded 18 bursaries for the academic year 2012 – six in mining, four in electrical engineering and eight mechanical engineering – at a cost to the company of R2.1 million (FY2011: 16 bursary students funded at a cost of R1.3 million). Mimosa funded 13 bursaries at a cost of \$285,175 (approximately R2.2 million) in FY2012.

A total of 44 learnerships and six internships were provided in similar disciplines by AQPSA.

The suspension of operations at Everest and Marikana has also led to the termination of 26 learnerships, four internships and 11 bursaries.

## Transformation

	FY2012	FY2011	FY2010
<b>HDSAs in management</b>			
HDSA managers	54	55	50
All managers	134	135	144
HDSAs in management (%)	40.3	41	35
HDSAs in management – target (%)	40	40	40
<b>Women</b>			
Women in mining occupations	915	929	883
All mining personnel	7,999	7,914	9,012
Women in mining (%)	11.4	11	10
Women in mining – target (%)	10	10	10

Ensuring the transformation of our workforce – whether they were employed by AQPSA or contractors – has been a strategic objective for the Company. This is the case in respect of the attraction, retention and training of HDSAs in management, and women in core mining occupations. Good progress has been made in achieving the targets required by the Mining Charter and set in our SLPs. At the end of FY2012, Aquarius was able to report that 40.3% of management comprised HDSAs and women in core mining occupations made up 11.4% of the workforce.

## Accommodation

Aquarius has never promoted the use of hostels and does not have any company-owned hostels. Housing allowances are provided to employees. While some contractor employees resided in leased hostels, these lease agreements were terminated in June 2012.

In Zimbabwe, following the approval of \$10.4 million for housing at the May 2011 Board meeting, an additional 128 houses were constructed in FY2012. Furthermore, in line with Mimosa's energy-conservation initiatives, solar water-heating systems were installed in 326 houses, including employee and guest houses. Mimosa has 1,462 employees residing in company provided accommodation at all levels of employment. This amounts to more than 93% of permanent employees who are entitled to company accommodation. In the short term, the mine provides employees who are not in company accommodation with a housing allowance (15% of basic salary). This rented accommodation is available in the town of Zvishavane, about 32km from the mine. This, however, is a short-term measure with these employees provided with company accommodation as it becomes available. Company houses are being built in phases in an effort to address this situation.

## HDSAs in management – Actual and targets (%)

	FY2012		FY2011
	Actual	Target	
Kroondal	40.2	40	40
Marikana	40	40	37
Everest	40.7	40	46
AQPSA	40.3	40	41

## Women in mining – Actual and targets (%)

	FY2012		FY2011
	Actual	Target	
Kroondal	11.6	10	11
Marikana	10.6	10	9
Everest	11.3	10	11
AQPSA	11.4	10	11

## Employee accommodation – AQPSA\*

Type of housing	Number of employees	%
Private dwellings	1,310	15.9
Rental accommodation	3,377	41.1
Contractors-supplied accommodation	111	1.3
Hostel accommodation	1,326	16.2
Other (informal settlements)	2,093	25.5
<b>Total</b>	<b>8,217</b>	<b>100</b>

\* Kroondal, Marikana and Everest

# SOCIAL PERFORMANCE (CONTINUED)

## COMMUNITY

### COMMUNITY

When formulating LED programmes relating to SLPs, AQPSA considers the integrated development plans of local municipalities and the needs of the mines' surrounding communities.

In FY2012, AQPSA spent a total of R6.39 million on CSI/LED projects (FY2011: R7.5 million). Mimososa spent \$3.4 million in total on CSI projects in FY2012 (FY2011: \$2.04 million).

#### LED/CSI investment (Rm)

	FY2012	FY2011
Kroondal/Marikana	5.76	5.36
Everest	0.63	2.14
Mimososa*	26.32	14.34
Group	32.71	21.84

\* The US\$ values were FY2012: \$3.40 million and FY2011: \$2.04 million. These were converted to the approximate South African Rand equivalents at exchange rates of R7.74/\$ for FY2012 and R7.03/\$ for FY2011.

A number of major projects were undertaken in South Africa in FY2012:

#### ▲ Kroondal

▲ **Ikemeleng:** During FY2012, Kroondal engaged with the Rustenburg Local Municipality steering committees of Planning, Human Settlements, Public Safety, and Infrastructure, Water and Sanitation. Kroondal has also engaged with the Ikemeleng community and police forums, ward committee and councillors in relation to the implementation of LED projects. In FY2012, Kroondal allocated a sum of R4.02 million to the development and formalisation of chemical toilet hire – 200 provided and serviced; completion of a bulk-water project; and daily supply of 20,000 litres of water to Ikemeleng to continue until bulk-water supply is completed. Educational-infrastructure initiatives were completed at a total cost of R357,000 in FY2012, including nutritional facilities at the Kroondal and Rustenburg primary schools; R480,000 to the operating costs of the Ikemeleng Early Childhood Development Centre; and community involvement amounting to R150,000.

▲ **HR development:** In FY2012, 176 employees were enrolled in ABET (from pre-ABET to ABET Level 4), compared with 207 the previous year. Total training expenditure by Kroondal and its contractors in FY2012 was approximately R18.5 million. A wide variety of training was made available to employees with a total of 14,756 training days during the year. Topics

covered range from technical and safety training to supervisory and managerial development. In FY2012, at a cost of R11.5 million, Kroondal funded eight bursary holders at tertiary institutions, two for a mining degree course, four in mechanical and two in electrical engineering; conforming to the bursary target. Currently, two interns are receiving experiential training. Some 4,5% of Kroondal's payroll was spent on training.

▲ **Labour force:** During FY2012, the labour force increased by 10% from 4,868 in June 2011 to 5,371 in June 2012. Migrant labour decreased by 0.5% from 1,484 in FY2011 to 1,476 in FY2012.

▲ **Housing and living conditions:** Hostel dwellers were temporarily accommodated until the end of June 2012 at Anglo Platinum's Phula single quarters, awaiting the development of a revised AQPSA housing policy and strategy.

▲ **Nutritional awareness:** Contractors at Kroondal have nutritional awareness programmes which are interlinked with HIV/Aids education programmes to stress the importance of a healthy and balanced diet.

#### ▲ Marikana

▲ **Lapologang:** Marikana interacts with the Rustenburg Local Municipality, the Lapologang Village community and the Marikana ward committee. The company assisted the community in the payment of electricity to Eskom in FY2012. Marikana also contributed R750,000 to the construction of a feeding facility at Kloofwaters Farm School.

▲ **Nutrition and wellness:** Contractors at Marikana run nutritional-awareness programmes which are interlinked with HIV/Aids education programmes to stress the importance of a healthy and balanced diet for those on ART. The contractors' hostel food is also evaluated by external nutritionists and food supplements are provided.

▲ **Skills training:** Total training expenditure by AQPSA and its contractors at Marikana in FY2012 was R10.121 million, compared to R7.1 million in FY2011, mainly due to training in mining methods and safety training following the death of five employees in underground accidents in July 2010. A wide variety of training is also made available to employees with a total of 6,655 training days during the year, compared with 6,016 training days in FY2011. In FY2012, eight bursaries were awarded to candidates – four in mining, three in electrical and one in mechanical engineering. In FY2012, four interns received experiential training versus a target of two.

“In FY2012, AQPSA spent a total of R6.39 million on CSI/LED projects”



## SOCIAL PERFORMANCE – ZIMBABWE

Mimosa's CSI priorities in surrounding communities for the year were to improve:

- ▲ Educational facilities and infrastructure
- ▲ Healthcare facilities and infrastructure
- ▲ Access to water and related infrastructure

At Mimosa, the key projects for the year were:

- ▲ **Dadaya Primary School** (\$476,000): This project involved the construction of two classroom blocks following a request from the community. The blocks helped to alleviate the critical classroom shortage at the school.
- ▲ **Dadaya Road refurbishment** (\$172,000): The project was for refurbishment of a road used by Dadaya villagers. It increased the availability of public-transport services in the area which was a serious challenge.
- ▲ **Ruvimbo Special School** (\$383,000): The refurbishment of the school facilities, including repainting, plumbing and other repairs at Ruvimbo special school in Harare.
- ▲ **Manhinga Children's Home** (\$236,000): Refurbishment of the children's home included water reticulation. The assistance uplifted the living conditions of the orphans at the school extensively.
- ▲ **Masase Secondary School** (\$157,000): The project involved buying and erecting a security fence around the perimeter of Masase Secondary School in Mberengwa. It helped to improve the security challenges at the school.
- ▲ **Mukwidzi Secondary School** (\$130,000): Constructed two classroom blocks for Mukwidzi School following a request from the community. The blocks helped to alleviate the critical classroom shortage at the school.
- ▲ **CG Msipa Scholarship** (\$101,000): Children who are part of the CG Msipa Scholarship Fund were assisted. The fund targets underprivileged but academically gifted children all over the country.
- ▲ **Copota Shop** (\$88,000): A shop was built to market the wares of Copota School for the Blind which generates income in this way. The shop has helped to reduce the school's total dependence on donor funds.
- ▲ **Matenda Clinic** (\$76,000): A diesel water pump, toilet construction and clinic renovations were donated; helping to improve the healthcare service delivery to the Matenda community.

# SOCIAL PERFORMANCE

## CARE AND MAINTENANCE



## CARE AND MAINTENANCE

In June 2012, Aquarius announced that the Marikana and Everest mines would be placed on care and maintenance, pending a sustained improvement in rand PGM prices.

### Temporary closure

In terms of South African legislation, a mine is in a state of care and maintenance (temporary closure) when it has stopped production for various technical, environmental, financial or labour-related reasons but the holder has not declared intent to finally close the mine.

### Blue Ridge

During FY2012, \$4 million (50% attributable to AQPSA) was expensed while Blue Ridge remained on care and maintenance.

AQPSA took over management of Blue Ridge Mine in 2009 following the acquisition of Ridge Mining plc and, at year-end, had an effective stake of 50% in the mine.

While undertaking the redevelopment project, Ridge Mining determined that the mine could not be operated economically at the prevailing low rand PGM prices and the rate of mine cost inflation in South Africa. It was determined that the mine would generate insufficient margins to justify further development expenditures so Ridge Mining recommended that Blue Ridge should be placed on care and maintenance in FY2011 – pending a full review of its economic viability.

### Marikana

The partners in Marikana agreed to place operations on care and maintenance due to the enduring low PGM basket price environment.

A total of 1,499 employees were affected – 1,258 were transferred to or accommodated at other operations. Unfortunately 241 were retrenched. Aquarius engaged with unions through service level agreements.

### Everest

AQPSA also placed its Everest Mine on care and maintenance in FY2012 until further notice as a result of the current low Rand basket prices, temporary geological problems and unstable labour relations.

Mining during the year was negatively impacted by oxidised ore and resulting poor ground conditions, Section 54s and maintenance issues. This was exacerbated by a protected strike by certain employees of the mining contractor in the second quarter. The strike was called by the Association of Mineworkers and Construction Union (AMCU) which demanded full organisational rights from MRC in terms of the South African Labour Relations Act, 1995 (Act No 66 of 1995). The strike ended when AQPSA reached an interim arrangement with AMCU while its dispute with MRC continued. As a consequence of the strike, Everest was unable to operate for more than two weeks.

Notwithstanding the fact that an application to convert the exploration right at Hoogland into a mining authorisation was submitted in May 2011, it has yet to be approved by the DMR – a delay occasioned by, among others, a jurisdictional dispute between the DMR regional offices in Mpumalanga and Limpopo.

Absenteeism and the associated loss of production shifts, negatively impacted production in the third quarter. The mine also suffered “go slows” at the hands of labour and AMCU. In addition, mining at several panels had to be stopped for safety reasons due to poor ground conditions during this quarter. The lower head grade achieved is related to the poor ground conditions – the majority of tonnes were mined in the northern portions of the eastern part of the mine.

# ENVIRONMENTAL PERFORMANCE

Given the impact mining has on the environment, Aquarius acknowledges its responsibility to protect and minimise this impact on the land adjoining its operations, on water and air, and on its use of resources. Climate change has not been explicitly integrated into the business strategy but is addressed indirectly by energy efficiency and cost-improvement initiatives.

## ENVIRONMENTAL RISKS

The three most important environmental risks at Aquarius are:

- ▲ **Water** – availability of clean water and, in particular, the potential for clean-water contamination and failing to optimise the consumption of dirty water.
- ▲ **Energy** – supply and carbon emissions (the extent of our carbon footprint).
- ▲ **Land** – land management and rehabilitation, especially around our open-pit operations.

Other potential significant impacts from mining activities relate to the use of resources – reagents, fuel and oil – the handling of polychlorinated biphenyls-contaminated oil and the management of hazardous waste. To alleviate any adverse consequences, control measures are in place, including the use of bunded storage areas for oil and fuel, the optimisation of reagent usage, temporary storage yards for hazardous waste, scheduled maintenance of equipment and vehicles, and vehicle-emissions monitoring, among others.

Risk management is crucial in environmental management and internal audits are undertaken regularly at each mine. Perceived risks are ranked and prioritised. Environmental incidents are grouped in terms of their impact on the environment, health and hygiene, and quality. Each environmental-incident flash report includes an action plan to mitigate the consequences of the incident and prevent its reoccurrence.

There is potential for future regulatory and physical environmental risks and, as an initial step, Aquarius quantifies its carbon and water footprints annually. Emphasis is also placed on the concurrent rehabilitation and development of nurseries to facilitate the re-establishment of biodiversity in areas disturbed by mining.

Despite the fact that Blue Ridge, Everest and Marikana operations have been placed on care and maintenance, our environmental responsibilities remain. In this regard, monitoring and impact-mitigation measures continue.

“Risk management is crucial in environmental management and internal audits are undertaken monthly at each mine”



## ENVIRONMENTAL PERFORMANCE (CONTINUED)

### RESOURCE AND WASTE MANAGEMENT

The major resource consumed is the rock mined. In FY2012, Aquarius mined an attributable 8,653Mt of rock (FY2011: 9.01Mt).

Rock mined (000t) – 100% basis

	FY2012	FY2011	FY2010	FY2009
Kroondal	5,612	6,197	6,225	6,491
Marikana	1,824	1,940	2,231	2,639
Everest	1,217	1,335	189	839
Mimosa	2,366	2,386	2,119	2,111
Blue Ridge	–	316	711	–
Tailings retreatment	2,587	4,511	7,296	8,931
Group	13,606	16,685	18,771	21,011

Materials used in the course of mining operations\* – South Africa operations (attributable)

	Unit	FY2012	FY2011	FY2010
Rock mined	000t	8,653 <sup>(1)</sup>	7,675	9,932
Ore milled	000t	6,180	6,980	7,170
Waste rock and DMS waste accumulated	000t	2,481	2,759	2,470
Tailings accumulated	000t	5,559	6,956	6,658
Fuels	000l	9,881 <sup>(2)</sup>	14,339 <sup>(3)</sup>	21,020
Lubricating and hydraulic oil	000l	1,288	3,200	2,993
Grease <sup>(4)</sup>	t	94	105	83
Timber	t	119 <sup>(5)</sup>	–	–
Explosives	t	11,722	8,329	–

<sup>(1)</sup> Total rock mined (excluding Mimosa and tailings retreatment)

<sup>(2)</sup> Diesel only

<sup>(3)</sup> The decrease in the quantity of fuel consumed is a result of the exclusion of Blue Ridge from this calculation for the total sum since operations have been suspended at this mine

<sup>(4)</sup> The method of measurement for these variables is under investigation, and improvement of this measurement is underway

<sup>(5)</sup> Kroondal only, no weighing at other mines

Note: Cyanide not used in the processing of ore by PGM producers

### WATER

In South Africa, water is a scarce resource and availability may be constrained in future as a result of increased industrial demand for water supplies and climate change. Aquarius, therefore, understands that it is imperative to conserve water. None of AQPSA's operations extract water from riverine systems. Everest and Marikana, when operational, source small quantities of drinking water from boreholes surrounding the plant area. AQPSA continues to monitor surface and groundwater quality in line with approved monitoring schedules and requirements of the respective EMPs, integrated water use licence applications (IWULAs) and water use licence conditions.

AQPSA continues to monitor surface and groundwater quality in line with approved monitoring schedules and requirements of the operations' respective EMPs.

In South Africa, AQPSA forms part of Catchment Management Forums with neighbouring mining companies operating within the same quaternary catchments for its eastern and western limb operations so as to promote responsible water management and the sharing of costs. Long-term strategies are identified to ensure a reduction in impact and mitigate the cumulative impact that catchments face, through actively implementing and updating integrated water and waste management plans (IWWMPs).

All Aquarius operations run closed water systems and potable water is used for human consumption. Water balances are managed continuously and emphasis is placed on recycling water wherever possible.

All of our South African operations have received IWULs, except for Kroondal's K6 Shaft (which is located some distance from other Kroondal shafts) and Marikana. Both applications are in process.

The company has not faced any detrimental water-related impacts in the past five years. However, studies are underway to determine

how Rand Water (the local water utility) consumption can be reduced and so-called dirty water used more effectively.

Total water usage by Aquarius was 6,634MI in FY2012 (FY2011: 12,376MI), broken down as follows:

South Africa – potable water	4,405MI
South Africa – external sources	2,229MI
Zimbabwe – total water usage	3,263MI

Of this, 4,020MI (FY2011: 8,584MI) was recycled at the AQPSA operations in South Africa.

### Total water consumption (MI) 100% basis\*

	FY2012	FY2011	FY2010	FY2009
Kroondal	3,040	3,528	5,760	6,048
Marikana	2,192	4,662	1,113	453
Everest	1,402	4,186	388	324
Mimosa	3,263	2,300	2,659	2,328
Blue Ridge	Operations suspended	Operations suspended	1,974	0
Group	9,897	14,676	13,377	9,632

\* This includes water consumed at the Platinum Mile facilities

### Water recycled and reused (MI)

	FY2012		FY2011		FY2010	
	South Africa*	Zimbabwe	South Africa*	Zimbabwe	South Africa*	Zimbabwe
Total water consumption	6,634	3,263	12,376	2,300	7,261	2,659
Total volume of water recycled and reused	4,020	1,139	8,584	1,359	4,138	1,404
% of water recycled and reused	61	35	69	59	57	53

\* These values exclude Blue Ridge

### Water consumed by source (MI)

	FY2012		FY2011		FY2010	
	South Africa*	Zimbabwe	South Africa*	Zimbabwe	South Africa*	Zimbabwe
Total water withdrawal by source (external sources)	2,229	2,124	2,798	2,315	2,619	2,659
Water sources significantly affected by withdrawal of water	0	0	0	0	0	0
Total clean water consumption from external sources (potable water for drinking purposes)	4,405	0	1,231	480	5,176	601
Total water consumption from external sources	6,634	2,124	4,029	2,795	7,795	3,260

\* This data is under verification

# ENVIRONMENTAL PERFORMANCE (CONTINUED)

## ENERGY – EMISSIONS

Ensuring a low overhead cost structure, from exploration to operation, management and corporate financing allows for reduced direct Scope 1 and 2 emissions from operations. This also limits the severity of certain potential risks (such as potential carbon taxes). In order for operations to continue as planned, and for growth and expansion of the company to occur, a constant supply of energy is crucial.

Given the national power utility's constraints in delivering energy, and the relationship between energy and climate change, it becomes important to monitor this issue and to have a strategy to deal with it. There are mechanisms in place for annual monitoring

of total water consumption and the potential risks/opportunities discovered in this process are considered by the Audit and Risk Committee and the Board.

Aquarius' data collection and calculations of Scope 1 and Scope 2 emissions is based on the Greenhouse Gas (GHG) Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) and the ISO 14064-1:2006 standard which specifies principles and requirements at organisation level for the quantification and reporting of GHG emissions and removals. This includes requirements for the design, development, management, reporting and verification of an organisation's GHG inventory.

Of total attributable emissions by its South African operations, 93% were for indirect emissions.

### Total energy consumption (MWh) (100% basis)

	FY2012	FY2011	FY2010	FY2009
Kroondal	381,133	359,328	337,354	320,925
Marikana	94,657	100,948	92,135	102,662
Everest	102,915	91,582	15,635	16,651
Mimosa	154,267	157,100	152,250	105,270
Total	732,972	708,958	597,374	545,508

### Emissions (tonnes)

Financial year	FY2012	
	Actual tonnes CO <sub>2</sub> e	Attributable to Aquarius
	South Africa	South Africa
<b>Direct emissions (Scope 1)</b>		
Diesel oil consumption	30,714*	15,357
On-site diesel consumption	27,172*	13,586
<b>Indirect emissions (Scope 2)</b>		
Electricity*	704,866**	352,433
<b>Other indirect emissions (Scope 3)</b>		
Product distribution	1,079***	539.5
Company supply chain	93***	465.5
Employee business travel	36,484****	36,484
Total	801,246	400,623

\* For the direct emissions calculation, the Intergovernmental Panel on Climate Change (IPCC) Guidelines, 2006 conversion factors were used (diesel and oil: 1,168kl x 2.75) and (diesel: 9,881kl x 2.75)

\*\* For electricity, the IPCC Guidelines, 2006 conversion factor used was 1.2 (electricity: 587,389 x 1.2)

\*\*\* For the product distribution and company supply chain data is under verification

\*\*\*\* For the employee business travel, the IPCC Guidelines, 2006 conversion factors for an average-sized vehicle was used (165,836.7km x 0.22)

Excel data collection sheets are used to collect diesel and petrol use data from third-party contractors responsible for transporting product. Data is collected, checked and signed off by the Group Manager: Engineering. The carbon footprint is calculated using an Excel-based carbon-footprint calculator, based on the calculation tools provided by the GHG Protocol, and the emissions factors from the GHG Protocol and the 2006 Intergovernmental Panel on Climate Change guideline documents.

Operations at Mimosa, Platinum Mile and CTRP were excluded from the CDP response. Aquarius intends to include Mimosa in forthcoming CDP responses. Head office is also excluded – Aquarius has administrative offices in South Africa and Australia. The emissions associated with these offices are deemed not to have a material impact on the company's total carbon footprint.

## ENERGY – COSTS

Energy usage and costs are saved in two areas. Firstly, at the point of blasting underground and, secondly, when the DMS and ore streams are separated and one is stockpiled while the other is processed respectively. This targets Scope 2 emissions, a voluntary action, which will be in place for the life of the mine. Investment in emission-reduction activities is taken at a high level and must meet overall budgetary criteria.

Aquarius aims to reduce the impact of a potential carbon tax by optimising energy efficiency and investigating less energy-intensive mining and processing methods. This is linked especially to the DMS processing system employed at Kroondal and Marikana (now under care and maintenance). This will, in turn, result in a decrease in carbon emissions. This risk is managed by the Group Manager: Engineering. In conjunction with this, Aquarius will endeavour to engage in policy dialogue and advocacy with government to ensure that carbon budgets and the design of the tax captures the operational realities of the sector and the company.

## LAND

Land rehabilitation is an ongoing process and Aquarius understands that its operations – opencast mining, the tailings storage facilities, roads and surface infrastructure – have an impact on the environment. Rehabilitation at Aquarius operations is aimed at restoring land for appropriate, sustainable use in line with its EMPs. The environmental impact assessments initially done for each operation take into account closure and these are revised throughout the life of an operation.

The Aquarius Group has adopted the ISO 14001 standard as the basis for its environmental management system and implementation of this standard has begun. Certification of all operations is

planned to be met in 2014. Aquarius' strives to achieve 100% legal compliance in the following priority and focus areas: water, energy, heritage, air quality, biodiversity, land management, waste and liaison with stakeholders.

At Everest, a significant rehabilitation project is nearing completion. The historical open pits have been backfilled, topsoiled and grassed. In addition, a sufficient amount of rehabilitation has to be undertaken at the Valley box cut. A plant nursery has been established to promote rehabilitation and restore biodiversity in the area of the mining operation.



“Aquarius understands that its operations have an impact on the environment”

# REPORTING IN LINE WITH GLOBAL REPORTING INITIATIVE (GRI)

The following index illustrates compliance of this sustainable development report with the principles of the G3 guidelines of the Global Reporting Initiative (GRI). Aquarius Platinum Limited has self-declared a C level of reporting and is committed to incrementally advancing its level of reporting on material sustainability issues.

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LA4	Percentage of employees covered by collective-bargaining agreements	16
<b>Occupational health and safety</b>		
LA7	Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region	13-14
LA8	Education, training, counselling, prevention and risk-control programmes in place to assist workforce members, their families or community members regarding serious diseases	13-14
<b>Social performance: Human-rights performance indicators</b>		
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SO1	Percentage of operations which have implemented local community engagement, impact assessments and development programmes	18-19
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# GLOSSARY OF TERMS AND ACRONYMS

Acronym	Definition
ABET	Adult basic education and training
Aids	Acquired immune deficiency syndrome
AQPSA	Aquarius Platinum (South Africa) (Proprietary) Limited (registration number 2000/000341/07), a company incorporated in the Republic of South Africa and a controlled entity of Aquarius
Aquarius	Aquarius Platinum Limited, the parent entity, a company incorporated in Bermuda with registration number EC 26290
ART	Antiretroviral treatment
BEE	Black economic empowerment
CDM	Clean Development Mechanism
CDP	Carbon Disclosure Project
CO <sub>2</sub>	Carbon dioxide
CO <sub>2</sub> e	Equivalent carbon dioxide
CSI	Corporate social investment
CTRP	Chromite Tailings Retreatment Plant
DIIR	Disabling injury incidence rate
DMR	Department of Mineral Resources
DMS	Dense media separation
EMP	Environmental management plan
FIFR	Fatal injury frequency rate
FTE	Full time equivalent
FY	Financial year
GHG	Greenhouse gas
GRI	Global Reporting Initiative
HDSA	Historically disadvantaged South African
HIV	Human immunodeficiency virus
HR	Human resources
Implats	Impala Platinum Holdings Limited
IRS	Impala Refining Services
ISO	International Organization for Standardisation
IWULA	Integrated Water Use Licence Application
IWWMP	Integrated Waste and Water Management Plan
JSE	JSE Limited
JV	Joint venture
LED	Local economic development
MRC	Murray & Roberts Cementation
MIGDETT	Mining Industry Growth Development and Employment Task Team
Mimosa	Mimosa Mining Company (Private) Limited, a company incorporated in Zimbabwe
Mining Charter	Broad-Based Socio-Economic Empowerment Charter for the South African Mining and Minerals Industry
MPRDA	Mineral and Petroleum Resources Development Act, 2002 (Act No28 of 2002)
PGM	Platinum group metal
PIP	Partners in Performance
RPM	Rustenburg Platinum Mines Limited
SLP	Social and labour plan
SMME	Small, medium and micro enterprise

# CONTACT DETAILS AND ADMINISTRATION

## EXEMPT COMPANY NUMBER

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Incorporated in Bermuda

## REGISTERED OFFICE

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## BOARD OF DIRECTORS

Nicholas Sibley  
Stuart Murray  
Jean Nel  
Sir William Purves  
David Dix  
Edward Haslam  
Tim Freshwater  
Kofi Morna  
Zwelakhe Mankazana

## COMPANY SECRETARY

Willi Boehm

## SUBSIDIARY

Registration No 2000/000341/07

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## STOCK EXCHANGE LISTINGS

Aquarius Platinum Limited is listed on the Australian Securities Exchange (AQP.AX), the London Stock Exchange (AQP.L), the Johannesburg Stock Exchange South Africa (AQP.ZA) and has a sponsored Level 1 ADR program in the United States.

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